

**Senate Bill No. 36**

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Passed the Senate September 11, 2015

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*Secretary of the Senate*

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Passed the Assembly September 11, 2015

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 14166.253 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 36, Hernandez. Medi-Cal: demonstration project.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law provides for a demonstration project under the Medi-Cal program until October 31, 2015, to implement specified objectives, including better care coordination for seniors and persons with disabilities and maximization of opportunities to reduce the number of uninsured individuals.

This bill would authorize the Director of Health Care Services, if the State Department of Health Care Services has not received adequate assurances from the federal Centers for Medicare and Medicaid Services before November 1, 2015, that the department's application for a subsequent demonstration project, as specified, is likely to be approved with an effective date of November 1, 2015, to request one or more temporary extensions until the approved effective date of the subsequent demonstration project. The bill would require the department, under an approved temporary extension, subsequent demonstration project, or as otherwise permitted under existing federal Medicaid law, to extend and apply existing payment methodologies and allocations, as prescribed. Requirements of the bill would be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not jeopardized. The bill would authorize the department, until July 1, 2016, to implement, interpret, or make specific these provisions by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions without taking regulatory action.

This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14166.253 is added to the Welfare and Institutions Code, to read:

14166.253. (a) If the department has not received adequate assurances from the federal Centers for Medicare and Medicaid Services (CMS) before November 1, 2015, that the department's application for a subsequent demonstration project, as defined in subdivision (x) of Section 17612.2 and as submitted pursuant to Section 17612.8, is likely to be approved with an effective date of November 1, 2015, the director may request one or more temporary extensions, as necessary to continue the operation of, and the authorities provided under, the federal Medicaid demonstration project titled "California Bridge to Reform Demonstration" (waiver number 11-W-00193/9), until the approved effective date of the subsequent demonstration project.

(b) To the extent permitted under the terms of any approved temporary extension obtained by the department pursuant to subdivision (a), an approved subsequent demonstration project, or as otherwise permitted under federal Medicaid law, the department shall, after consulting with the affected designated public hospitals, extend and apply the payment methodologies and allocations described in this article and in effect during the successor demonstration project, on a state fiscal year, annual, partial year, or other basis, consistent with any applicable implementing provisions of the Medi-Cal state plan and requirements imposed by the CMS. The department may make payments on an interim basis and subject to reconciliation to amounts payable under the payment and allocation methodologies applicable to any approved temporary extension obtained by the department pursuant to subdivision (a) or approved subsequent demonstration project.

(c) This section shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not jeopardized.

(d) Until July 1, 2016, in the event of a conflict between the terms of any federally approved extension obtained by the department pursuant to subdivision (a) and this article, the terms

of the federally approved temporary extension shall control, and the department shall provide notice of the conflict to the appropriate policy and fiscal committees of the Legislature.

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions without taking regulatory action until July 1, 2016.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make changes to state-funded health care programs at the earliest possible time, it is necessary that this act take effect immediately.







Approved \_\_\_\_\_, 2015

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*Governor*